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RECOMMENDED REVISIONS TO THE FY 2009 PROPOSED BUDGET

June 9, 2008



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RECOMMENDATIONS TAKE INTO ACCOUNT THE FOLLOWING:

- City Council budget priorities memoranda
- Mayor's May Revise
- Public input at hearings
- IBA Preliminary Report
- Additional research and analysis
- Input from City departmental staff



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APPROACH TO FINAL REPORT

- Preserved Mayor's goals and funding levels for eight significant areas for third year in a row:
 - Funding for these areas comprises \$435.3 million (12.5%) of the total FY 2009 Budget or \$235.7 million (19.8%) of the General Fund Budget.



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APPROACH TO FINAL REPORT (cont'd.)

- Focused on maintaining current year service levels for Park and Recreation and Library activities that provide direct service to the community
 - Park and Rec. Budget would drop from 9.9% of City budget in FY 2004 to 7.3% in FY 2009 as currently proposed in Budget
 - Library budget would fall from 4.8% in FY 2004 to 3.0% in FY 2009 as currently proposed



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APPROACH TO FINAL REPORT (cont'd.)

- Prioritized potential service restorations working with departmental staff
- Identified for restoration \$4.0M (12%) of the \$33.1M General Fund reductions proposed in Budget
- Identified 49 positions for service restoration out of 237 position cuts proposed in the Mayor's budget



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APPROACH TO FINAL REPORT (cont'd.)

- Total recommended revisions of \$4.8M equal to 0.4% of the total General Fund Budget and 0.14% of the total Budget, but address priority services
- To fund all revisions, evaluated and identified resource options remaining after May Revise



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RESOURCE OPTIONS PRESENTED IN IBA PRELIMINARY REPORT

OPTION	IBA Prelim Report	Utilized in May Revise	IBA Final Report
1. Redevelopment Agency Repayment	\$2.5-5 M	-	\$2.5 M
2. Reevaluate Reserves Allocation	\$6-11 M	\$2.3 M	-
3. Equipment Outlay	\$1 M	-	-
4. Resolution of Booking Fees Issue	\$3.1 M	-	\$1.6 M
5. Reduce Workers' Compensation	\$1 M	\$770,000	-
6. Transfer of EGF Fund Balance	\$3.5 M	\$2 M	\$1.5 M
7. Comptroller Temporary Help	\$375,000	-	-
8. Citywide Election Costs	\$1.0 M	-	-
9. Tobacco Settlement Revenues	\$300,000	\$438,000	-
10. Seized and Forfeited Assets	\$1.0 M	\$2.3 M	-
11. Savings from Annual Audits	\$150,000	-	-
12. Release of A-List Project Funds	\$1-2 M	\$1.4 M	-
13. Potential Storm Water Savings	TBD	-	-
TOTAL	\$20.9 - \$29.4 M	\$9.2 M	\$5.6 M



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IBA PROPOSAL - Part 1
\$2.59 M Priority Service Restorations
(Net Increase to Budget-\$1.97 M)

- Aligns closely with the Park and Recreation and Library priority restorations discussed at PS&NS May 14th and presented in IBA Report 08-44
- Restores current year service levels for pool operations and skateboard parks
- Provides partial restoration to other Park and Recreation and Library service areas but not to current year levels
- Also adds small amount of funding for Kumeyaay Campground



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IBA Proposal - Part 1

Proposed restorations:

1. Restore all skate park supervision (8.8 FTE)- \$415,000 Net
2. Restore five Park Area Managers and one Grounds Maintenance Supervisor- \$552,000
3. Restore pools to current year service levels- \$122,500 Net
4. Restore 8.5 Library Assistants, 3.0 Librarians II's and a Custodian for Central Library- \$980,800
5. Restore overnight camping on weekends at Kumeyaay Campground- \$56,000 Net



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IBA Proposal - Part 1 (cont'd)

\$2.1 million Resource Recommendations:

- 1.Environmental Growth Fund Balance- \$1.5M
- 2.Elimination of Jefferson Wells FY 2009 funds -
\$(225,000)
- 3.Partial reduction of Grant Thornton FY 2009
consulting funds - \$(400,000)



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IBA PROPOSAL - Part 2
\$2.3 M Priority Service Restorations/Additions
(Net Increase to Budget- \$2.3 M)

- Builds on Part 1 to accomplish full restoration of Park management/oversight and Library customer services to current year levels
- Includes requests previously not considered in the Mayor's Budget for Fire, Clerk and IBA
- Increases Library Matching Grants to generate equal amount of donations



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IBA Proposal - Part 2 (cont'd)

Proposed restorations/additions:

1. Restore five Park Area Managers (for a total of 10) and two District Managers to maintain current year service levels (for total of 5)- \$700,000
2. Restore four Library Assistants (for a total of 12.5) to maintain current year service levels - \$308,000
3. Increase library matching funds from \$1.0M to \$1.5 M to generate equal matching donations-\$500,000



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IBA Proposal - Part 2 (cont'd)

4. Provide temporary Fire staffing for Children's Pool Lifeguard Station-\$162,000
5. Increase Fire Bomb Squad training hours by reducing overtime as recommended in Fire BPR-\$0
6. Include 9.8 FTE's in Fire for second helicopter to match funding provided in the budget- \$0



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IBA Proposal - Part 2 (cont'd)

7. Restore one supervisor for the graffiti control program in Code Compliance to maintain current year service levels- \$86,100
8. Add one Administrative Aide for City Clerk to address workload issues - \$78,000
9. Add Fiscal/Policy Analyst for economic forecasting and \$20,000 for consultant expertise for IBA, minor office remodeling- \$210,000



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IBA Proposal - Part 2 (cont'd)

10. Provide for Police Technology Enhancements from Seized and Forfeited Assets Fund – funds have been identified, allocation process should include Council priorities
11. Restore four of 24.5 non-sworn positions reduced in Police- \$282,600
12. Designate \$10.0M for the Appropriated Reserve from the Unallocated Reserve consistent with the Reserve Policy-\$0



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IBA Proposal - Part 2 (cont'd)

\$2.5M in Recommended Resources:

1. Increase repayment from Redevelopment Agency from \$5.0M as proposed in Mayor's Budget to \$7.5M- \$2.5M
 - Support repayment being budgeted in Special Promo Fund for FY 2009 as recommended by Mayor
 - Have identified an additional \$2.5M in qualifying promotion-related General Fund activities that can be supported by the Special Promo Fund, CFO concurs
 - Recommend pursuing option to budget in General Fund for greater flexibility in future
 - Recommend a policy discussion on this issue to determine long-term direction



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Changes to Original Proposal

- Remove the proposed reduction to booking fees expenses based on additional information – (\$1.6 million)
- Reduced expenditures by \$1.6 million by removing year-round operations of all pools (\$1.0 million), four Streets maintenance positions (\$300,000), four Facilities maintenance positions (\$300,000) and City Clerk overtime already included in the budget (\$25,000).



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MAYOR'S MAY REVISE

- Support the May Revise as issued on May 14th and as amended by the CFO on May 29th, 2008
- Concur with the proposed reductions in revenue growth rates as more reflective of economic conditions
- Support the proposed \$9.2M in resource options and other revisions utilized to offset reduced revenues



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IBA POLICY MATRIX

- Each year, the Policy Matrix is derived from research and analysis during the budget process
- Policy Matrix is used to track progress and completion of outstanding issues throughout the year
- Will be developing matrix following the budget process and be prepared to present to the Budget and Finance Committee in July



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RECOMMENDATIONS

- Recommend City Council consideration and approval of the revisions to the FY 2009 Proposed Budget as reflected in IBA Report 08-61
- Recommend approval of the Mayor's May Revise as issued on May 14, 2008 and as amended by the CFO on May 29, 2008



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NEXT STEPS

- July 9** **Budget and Finance Committee
review of FY 2009 Appropriation
Ordinance (AO)**
- July 21** **City Council public hearing on the AO**
- July 28** **City Council adoption of the AO**



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